

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

SIMPLIFICATION, LLC,	)	
	)	
Plaintiff,	)	
	)	C.A. No. 03-355 (JJF)
v.	)	C.A. No. 04-114 (JJF)
	)	
BLOCK FINANCIAL CORPORATION, and	)	CONFIDENTIAL -
H&R BLOCK DIGITAL TAX SOLUTIONS,	)	FILED UNDER SEAL
INC.,	)	REDACTED PUBLIC VERSION FILED
	)	
Defendants.	)	NOVEMBER 6, 2008

DECLARATION OF GARY TINKEL

I, Gary Tinkel, am competent to testify about the matters herein.

1. I am the president of HilBren Consulting, a software consulting firm headquartered in Monroe Township, New Jersey.
2. In the regular course of my employment, I spend much time doing consulting for banks, brokerage firms, and the federal government.
3. I have extensive experience in designing and programming automated processing systems, including electronic data gathering, automated calculations, document creation, and electronic funds transfer.
4. My expert qualifications are attached to this declaration as Exhibit A.
5. I have analyzed the claims, specification, and the prosecution history of U.S. Patent No. 6,202,052.
6. I have analyzed the claims, specification, and the prosecution history of U.S. Patent No. 6,697,787.
7. I have analyzed, reviewed, and tested the accused software, including TaxCut 2001 and TaxCut 2003.
8. My analysis and testing included installing and operating the accused software, including TaxCut 2001 and 2003.

9. My analysis and testing of the accused software included entering data to simulate the preparation of a tax return using the software.
10. I have interviewed Derek Swords, a Block employee who is knowledgeable regarding the Technical features of the Block TaxCut and OTP products.
11. I understand the principles of patent infringement and know what is required for an accused product to literally infringe a patent claim as well as what is required for an accused product to infringe a claim under the doctrine of equivalents.
12. I know that the law requires patent claims to be interpreted as one skilled in the art would understand the claims read in light of the specification.
13. I have reviewed the claim constructions proposed by Block as well as those proposed by Simplification.
14. In forming my opinions I have relied on Block's proposed claim constructions.
15. The claims of the patents-in-suit require a fully-automated system for tax reporting.
16. Each of the claim limitations of the patents-in-suit, as part of a fully-automated system, must be performed essentially without any manual intervention.
17. I understand that Block sold products utilizing a feature referred to as Auto-Entry from November 2001 through August 2005 and that Auto Entry feature enabled TaxCut users to upload specific financial data from certain third parties.
18. It is my opinion that the Auto-Entry feature did not cause the TaxCut software to be a fully-automated.
19. For the purposes of an infringement analysis in the case where Block's proposed claim constructions have been adopted, TaxCut and OTP can be treated equivalently.
20. If the Court is to adopt Block's proposed claim constructions it follows that neither Block's TaxCut product nor its OTP product infringe any of the asserted claims because neither TaxCut nor OTP is fully-automated.
21. Neither TaxCut nor OTP is fully automated because both products require extensive manual intervention to complete a tax return.
22. The manual intervention required to complete a tax return using the accused products persists at least from the time they are initiated until a user manually enters an instruction to file the completed tax return.

23. Figure 1, which is attached to this declaration as Exhibit B, is a true and accurate screenshot of Block's TaxCut product and highlights some of the manual intervention required by the Block Products in completing a tax return.
24. TaxCut and OTP both require the manual input of tax data from tax data providers by which the patents specifically call for electronic collection: TaxCut and OTP are not fully-automated systems.
25. TaxCut and OTP both require the manual entry of charity tax data while the patents-in-suit require this data to be electronically collected: TaxCut and OTP are not fully-automated systems.
26. Figure 2, which is attached to this declaration as Exhibit C, is a true and accurate screenshot of Block's TaxCut product and highlights that Block's products require the manual entry of charity tax data.
27. Figure 3, which is attached to this declaration as Exhibit D, is a true and accurate copy of Figure 2 of U.S. Patent No. 6,202,052 and shows that in the claimed system, charity tax data is collected automatically by the electronic intermediary with no manual intervention.
28. TaxCut and OTP both require an extensive amount of data that is entered by the taxpayer by point and clicking with a mouse or keyboard as he proceeds through the system: TaxCut and OTP are not fully automated systems.
29. Figure 4, which is attached to this declaration as Exhibit E, is a true and accurate screenshot of Block's TaxCut product and highlights that the Taxpayer must manually enter tax data by point and clicking with a mouse or keyboard as he proceeds through Block's system.
30. TaxCut and OTP both require the manual entry of bank tax data -- the patents-in-suit claim a system where the electronic intermediary automatically connects electronically to the taxpayer's bank using electronic links and electronically collects tax data without any manual intervention: TaxCut and OTP are not fully-automated systems.
31. Figure 5, which is attached to the declaration as Exhibit F, is a true and accurate screenshot of Block's TaxCut product highlighting that Block's systems require the taxpayer to manually enter tax data from the taxpayer's bank.
32. Figure 3, also shows that in the claimed system, tax data from the taxpayer's bank is collected automatically by the electronic intermediary with no manual intervention. Ex. D.
33. TaxCut and OTP both require the manual entry of tax data from the Taxpayer's Other Tax Data Providers such as the manual entry of the Taxpayer's social

security payment data from the Social Security Administration: TaxCut and OTP are not fully-automated systems.

34. Figure 6, which is attached to this declaration as Exhibit G, is a true and accurate screenshot of Block's TaxCut product highlighting that Block's systems require the taxpayer to manually enter tax data from other tax data providers including the Social Security Administration.
35. TaxCut and OTP both require manual input before the preparation of the tax return is finalized while the system of the patents-in-suit does not encompass manual input outside of a single initiation step: TaxCut and OTP are not fully-automated systems.
36. Figure 7, which is attached to the declaration as Exhibit H, is a true and accurate screenshot of Block's TaxCut product highlighting that Block's systems require the taxpayer to manually intervene before preparation is finalized.

REDACTED

38. I understand that means-plus-function claims must be definite.
39. I understand that in order to satisfy the definiteness requirement, a computer-implemented means-plus function element requires that a corresponding algorithm for performing the claimed function is disclosed in the specification.
40. The common specification of the patents-in-suit does not contain a single algorithm for performing any of the computer-implemented means-plus-function elements in the claims.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and accurate to the best of my knowledge.

Date: 10/31/08

  
Gary L. Tinkel

## EXHIBIT A

## **EXPERT QUALIFICATIONS OF GARY TINKEL**

I am the president of HilBren Consulting Services, a software consulting firm headquartered in Monroe Township, New Jersey, and have worked in that capacity since 1988. In that capacity, I have, and continue to, consult for banks, brokerage firms and the federal government, including the Department of Defense, in designing and programming financial systems. This includes payment and check processing systems, direct deposit and electronic funds transfer ("EFT") systems, real time trading systems, and automated processing and payment systems.

As my curriculum vitae details, I have extensive experience in designing and programming automated processing systems, including Electronic data gathering, automated calculations, document creation and electronic funds transfer. I received a B.S. in Electrical Engineering from Polytechnic Institute of Brooklyn in 1970 and a M.S. in Operations Research from Polytechnic Institute of Brooklyn in 1973. I attended finance courses towards an MBA in Finance at New York University from 1975 through 1978. In furtherance of my profession, I have attended many seminars and training classes dealing with such topics as real-time trading applications and money transfer, database design (ORACLE, Sybase, SQL Server, Access, and others), operating systems, programming languages (C, COBOL, ASP.NET, FORTRAN, Visual Basic, VB.NET), and various design courses.

From 1974 to 1977, I was employed as the project leader for systems and programming of the Federal Reserve Bank, New York Branch. My responsibilities included supporting and maintaining the Federal Reserve Reporting & Discount Loan Rate System including supporting an on-line data transmission to other Federal Reserve Banks. As project leader, I acquired in depth knowledge of the Federal Banking system and the operations of the Federal Reserve.

From 1977 to 1984, I was manager of systems and programming for various New York City banks including CitiBank and Chemical Bank where I worked on payment processing, various real time trading systems (Precious Metals, Financial Futures and Foreign Exchange), electronic fund transfers (EFT), and back office accounting systems. From 1984 to 1987, I was the manager of the Financial Products Development and Support Group for General Automation, a computer manufacturer, where I designed and programmed EFT payment systems using the Society of Worldwide Interbank Financial Telecommunications (SWIFT) network and the New York Clearing House (CHIPS) network as well as a real time Foreign Exchange processing system.

From 1988 to the present, I have worked on developing various real time applications including an automated travel processing system for the U.S. Government, data collection systems for various health care industry clients, and have worked on an automated trading system for convertible bonds for a brokerage concern. Additionally, I have been a member of the Independent Computer Consultants Association (ICCA) for the past nineteen years. I have served the ICCA in various capacities, including acting as president, director, and treasurer of the New Jersey Chapter. I have also designed, programmed, and maintained databases for various clients using such packages as Oracle, Sybase ASA, SQL Server, and Access.

**Gary L. Tinkel**

President, HilBren Consulting Services Inc.  
287 Valencia Dr.  
Monroe Twp., NJ 08831  
Phone (732) 545-7913  
Fax: (609) 448-0562  
E-Mail: gtinkel@hilbren.com

Areas of Expertise

Consulting to various Federal agencies in the area of automated Travel Reimbursement Systems, Accounting applications, Payroll and payment/disbursing processing. Experience includes designing systems calculating and apply Government regulations, automate office procedures, track outstanding funds and agency hardware procurement.

Expert Consultant/Witness in Computer based Financial, Brokerage, Banking and Accounting systems. Proficiencies include fraud, systems tampering, false product claims, financial systems modeling, litigation support and copyright infringement.

Wholesale Banking applications, specializing in Foreign Exchange, Loans and Deposits, CD, Eurodollar and Precious Metals Trading, Funds Transfer and Accounting Support systems. This also includes the design and programming of trading simulation systems and evaluation and recommendation of commercial products.

Project management and systems design for networked minicomputer and PC based systems including Feasibility, design, Network selection, Database design and installation and implementation.

Design of Brokerage Trading systems which included Block Trading, Corporate and Municipal Bonds, OTC Trading, Precious Metals and Financial Futures. Additional expertise in payment processing systems including Electronic Funds Transfer and check processing.

Education

B.S. in Electrical Engineering from Polytechnic Institute of Brooklyn, 1970

M.S. in Operations Research from Polytechnic Institute of Brooklyn, 1973

MBA program in Finance, New York University

Thirty Seven years of experience in the Finance and Data Processing field, the past twenty one as President of HilBren Consulting Services.

Various seminars and college level courses in the computer, networking and International Finance fields.



## Accomplishments

Expert Consultant in Patent Infringement matter between two software firms. Work involved deconstructing a Financial Software package to determine if and how it infringed on existing patents and reporting on findings.

Expert Consultant/Witness in Computer based Commodities Trading fraud case. Work product included reconstruction of Commodities trades, computer modeling of Plaintiff's trading system for damage analysis and possible fraud. Additional support work included analyzing algorithms contained within a computer system for validity and the proper use of data, the resulting in a re-constructed computer model to calculate alternate damage analysis. Testified in court and at Arbitration hearing.

Expert Consultant/Witness in computer software copyright infringement suit involving specialized financial software. Involvement included study of system software and hardware, commercial applicability of the product based on industry study and an overall product design analysis. Testified at Arbitration hearing

Expert Consultant in a fraudulent computer system design, hardware selection and installation. Matter involved study of clients' document work flow and volume, presentation of data and data retrieval. Additional duties included program code analysis, study of the causes of errors within the system and problems due to incorrect system specifications and user error

Designed, implemented and supported various Foreign Exchange Trading and Accounting systems, Commercial Loans and Deposits Trading systems (which included Letters of Credit, Euro-Dollars and CD'S), Precious Metals trading systems and Financial Futures trading systems. Responsibilities included Trader support, automated funds transfer and trade simulation sub-systems (developed internally or enhanced from commercially available packages), generating and implementing test plans and interface with back office operations staff and management.

Designed and implemented several Automated Funds & Message Transfer systems for a major Money Center banks as well as a software development company.

Designed an Automated Funds & Message Transfer system including SWIFT and FEDWIRE interfaces.

Supported and maintained Federal Reserve Reporting & Discount Loan Rate system including supporting an on-line data transmission to other Federal Reserve Banks. Retained in-depth knowledge of the Federal Banking system and the operations of the Federal Reserve.

Financial Systems product manager for a major mini-computer vendor. Responsibilities included commercial Banking and Brokerage systems design, sales support and hardware installation.

Consultant to several money center and foreign banks in the area of PC and Mainframe based Foreign Exchange and Precious Metals Trading systems.

Designed, programmed and supported a PC based inventory posting and reporting system for a Human Tissue Bank company.

Supported and maintained a PC based system for a major Blood Plasma Distributing company.

Designed an Automated Funds & Message Transfer system including SWIFT and FEDWIRE interfaces.

Expert Consultant to a Plastics Manufacturing company in the area of computer loss insurance litigation

Design, Installation & Support of a PC Network based Travel Reimbursement, Tracking and History system. System software which included interfaces with other Government accounting, payroll and disbursing systems. Responsibilities also included knowledge of Federal Government Contract bidding and procurement. This system is currently in use in all branches of the US Military, DFAS, DLA, HUD, the Coast Guard and other agencies.

### Professional History

Principal - HilBren Consulting Services Financial & Banking EDP consulting company.  
Clients includes various Department of Defense and Federal Agencies, five major NYC Commercial Banks, several major NYC Law firms, Investment Banking Companies, National Brokerage firms and other commercial corporations.

Manager, Financial Products Development and Support Group - Major Minicomputer manufacturer.  
Responsibilities included Product design and development of Financial products, staff and budgetary responsibility and sales support.

Project Manager – New products development department at Dean Witter, Reynolds & Co.  
Responsibilities included research and design of an online Block Trading system for volume stock trades.

Manager, Systems and Programming - Foreign Exchange and Loans & Deposits departments in several major NYC banks. Duties also included trader support and data center manager.

Project Leader, Systems and Programming - Reserve Banking & Foreign Exchange departments for the Federal Reserve Bank.

Engineering Project Manager - Programming, design and installation analysis for a major telecommunications corporation.

### Hardware and Software Expertise

Intel Based PC Based systems  
Digital Equipment Corporation PDP 11/30, 11/45, 11/70, VAX  
IBM 1140, 360 370 43xx series  
PC Networking including Novell Netware and Windows NT/2000/XP/2003

Operating Systems: OS, MVS, VM, RSTS-E, RSX-11, VMS, IAS, MS-DOS &  
Windows 95/98/NT/2000/XP and others.

Languages: Basic, Visual Basic, VB.NET, ASP.NET, COBOL, FORTRAN, PL-1, C, C++, SQL, JAVA.

Software: Written applications using ORACLE , SQL Server, Access, Sybase relational database systems, Clipper, Paradox, Btrieve, and Excel.  
Working knowledge of other like software packages.

### Professional Associations & Education

Treasurer and former President of the Northern New Jersey chapter of the Independent Computer Consultants Association. Member for 18 years.

Database Administrators certificates for Novell NetWare, Sybase SQL Anywhere and Oracle 7 & 8 systems.

Certified Btrieve Applications Consultant.

Former member IEEE

Work and Contracts for the past Five years

1. Professional Software Consortium  
Richard Gorsack, President  
65 Madison Ave  
Morristown, NJ  
Software and database development for various clients of firm since 1982
2. Gibbons, Del Deo, Dolan Griffinger & Vecchione  
Peter Corbin, Esq.  
One Penn Plaza  
New York, NY  
Expert Consultant Intell-A-Check v. AutoSCribe et al.  
Assignment start: 4/2003      Deposition: 2/2005
3. Kirkland & Ellis, LLP  
Aaron Charfoss, Esq.  
200 E. Randolph Dr  
Chicago, Ill  
Expert Consultant - LML Patent Corp. v. TeleCheck Svcs, Electronic Clearing House & Nova Info Svcs  
Assignment Start: 8/2004      Deposition: 9/2005
4. Bond, Schoeneck & King  
Edward Nocilly, Esq.  
One Lincoln Ct  
Syracuse, NY  
Expert Consultant - Finattek LLC v. Capital Market Services Inc  
Assignment Start: 1/31/05
5. PA Plasma  
Martin Kamins  
203 North Center Drive  
North Brunswick, NJ  
Development and maintenance of a Plasma Tracking system since 2000
6. Fullbright & Jaworski LLP  
Miriam Quinn, Esq.  
2200 Ross Ave  
Dallas, TX  
Expert Consultant - Data Treasury v. CitiBank  
Assignment Start: 2/2006
7. Hinman, Howard & Katell, LLP  
Albert Millus, Esq.  
80 Exchange Street  
Binghamton, NY 13902  
Expert Consultant - MSI v. SMI et. al  
Assignment Start: 10/2007

8. Standley Law Group, LLP

Mark Engle, Esq.

495 Metro Pl South

Dublin, OH 43017

Expert Consultant - Simplification LLC v. Block Financial

Assignment Start: 6/2008

## Litigation Experience

*6/2008 – present: Standley Law Group, LLP*

Expert Consultant services related to Patent Infringement issue concerning an automated Tax Preparation system. Work includes prior art research, patent analysis, software and program analysis and production of Experts report.

Representing the Defendant: Case ongoing

Simplification LLC v. Block Financial Corp., et al. Civil Action No. 03-116 KAJ

*10/2007 – present: Hinman, Howard & Katell, LLP*

Expert Consultant services related to Copyright Infringement issue concerning an automated Life Insurance Software system. Work includes software and program analysis and document review.

Representing the Defendant: Case ongoing

Member Bank Services v. Security Mutual Life Insurance Co - Civil Action No.: 3:6-CV-1164 TJM/DEP

*11/16/05 – 5/08: Fullbright & Jaworski LLP*

Expert Consultant services related to Patent Infringement issue for automated check and image process system. Work includes Patent and prior art research and creation of an Experts report.

Representing the Defendant: Case settled

Data Treasury v. CitiBank Civil Action No. 2-05CV-294

*2/14/05 – 8/07: Bond, Schoeneck & King*

Expert consultant services relating to copyright infringement for a computer based Foreign Exchange Trading System. Work includes software and program analysis, independent research and production of an Experts report.

Representing the Defendant: Case settled favorably. Deposition taken

Finatek LLC v. Capital Market Services Inc. US District Court - Southern District of NY No.04-CV-5267

*5/1/05 – 1/1/07: Logicom, et.al v. W.P.Stewart & Co.Et.al.*

Expert consultant services relating to copyright infringement for a computer based Trading and Order Entry System. Work includes production of an Experts Report and follow up analysis.

Representing the Plaintiff.

*6/1/04 – 4/1/06: Kirkland & Ellis, LLP*

Expert consultant services relating to a Patent Infringement issue for an Automated Check Clearing System. Work includes Patent research and analysis, program code analysis and discovery support. Authored an Experts Report and rebuttal Non-Validity report. Deposition taken.

Represented the Plaintiff. Case settled favorably.

LML Patent Corp. v. TeleCheck Svcs, Electronic Clearing House & Nova Info Svcs. Civil Action No. 08-858

*3/10/03 – 3/05: Gibbons, Del Deo, Dolan Griffinger & Vecchione*

Expert consultant service relating to Patent Infringement for an Automated Check Writing system.

Work includes analysis of Patents with respect to operation, coding and design of competing software Packages and preparation of Experts Report. Deposition taken.

Representing the Plaintiff. Case settled favorably.

Intell-A-Check v. AutoScribe, et al. Civil Action No: 01-4625

*7/13/01 – 12/31/01: Epstein Becker & Greene, P.C.*

Expert consultant services in a matter relating restraint of trade between a software company and brokerage firm. Work included technical analysis, document review and preparation of Experts report.

Represented the Defendant. Case settled favorably. Deposition taken

InterVest Financial Services v. Bear Stearns Co., et al E.D.Pa No.99-CV-5463

*8/25/00 – 11/01/00: Elliott, Reihner, Siedzikowski & Egan, P.C.*

Expert consulting services relating to dispute concerning breach of contract of a custom created software system. Represented the Defendant. Case settled favorably.

Palma, Lazar & Ulsh, LLP v. Paragon Systems Inc. Civil Action 00-108

*9/98 – 2/10/01: Paul Johnson Park & Niles*

Expert consulting services relating to dispute concerning improper consulting services and project management. Represented the Plaintiff. Case settled favorably.

Straub Clinic & Hospital, Inc. v. Peat Marwick, et al. Civil No. 93-0646-02

*6/19/99 – 8/31/99: Dwyer Imanaka Schraff Kudo Meyer & Fujimoto*

Expert consultant services in dispute involving breach of services due to improperly designed custom financial software. Represented the Plaintiff. Case settled.

City Bank v. CFI ProServices Inc. Arbitration #99-0044-A

*8/13/97 – 11/17/97: Gadsby & Hannah LLP*

Expert consultant services in dispute involving custom software and off-the shelf banking software. Represented the Plaintiff. Case settled.

Ceska Sportelna a.s.v. Unisys Corp. C.A. 96-CV-4152

*12/1/94 – 6/31/96: Morrison Cohen Singer & Weinstein*

Expert consultant services in dispute involving software piracy, copyright violation and intellectual property theft. Work included production of an Experts Report. Testified at Deposition & Arbitration hearing. Represented the Plaintiff. Case settled favorably.

Boyd et al. v. McMahan & Co. et al. NASD Case 93-02114

*8/31/92 – 8/30/94: Morrison Cohen Singer & Weinstein*

Expert consultant services in dispute involving financial losses due to systems changes and cash withdrawals. Involved in litigation support and production of an Experts Report. Testified at Arbitration hearing. Represented the Defendant. Case settled favorably.

Dunn New Funds v. McMahan & Co. American Stock Exchange Arbitration Index No. 14819/92

*4/29/91- 8/30/92: Morrison Cohen Singer & Weinstein*

Expert consultant services in dispute involving financial losses due to systems tampering and program modifications. Extensive litigation support involved. Court testimony in Florida and Arbitration hearing testimony in New York. Represented the Plaintiff. Case settled favorably.

McMahan & Co. v. Dunn et al American Stock Exchange Arbitration

*6/31/89 – 2/28/90: Cadwalader, Wickersham & Taft*

Expert consultant services in dispute involving financial losses due to systems tampering and program modifications. Represented the Plaintiff. Change in venue. - McMahan & Co. v. Dunn et al.

## EXHIBIT B

Untitled - TaxCut 2001

File Edit Forms Reports Tools Help

**TaxCut** FROM H&R BLOCK

Federal State  
Refund: 0 Refund: 0

1. Federal 2. State 3. File 4. Plan

**Boxes 1 - 18**

Enter amounts from this 1099-MISC.

1. Rents	<input type="text"/>	2. Royalties	<input type="text"/>
3. Other income	<input type="text"/>	4. <a href="#">Fed income tax</a>	<input type="text"/>
5. <a href="#">Fishing boat</a>	<input type="text"/>	6. Medical, health	<input type="text"/>
7. <a href="#">Nonempl comp</a>	<input type="text"/>	8. <a href="#">Subst pymnts</a>	<input type="text"/>
9. <a href="#">Direct sales</a>	<input type="text"/>	10. Crop insurance	<input type="text"/>
13. <a href="#">Golden parachute</a>	<input type="text"/>	14. <a href="#">Attorney proceeds</a>	<input type="text"/>
16a. <a href="#">State tax withheld</a>	<input type="text"/>	17a. State name	<input type="text"/>
17a. Payer number	<input type="text"/>	18a. State income	<input type="text"/>
16b. State tax withheld	<input type="text"/>	17b. State name	<input type="text"/>
17b. Payer number	<input type="text"/>	18b. State income	<input type="text"/>

Back Next

**1099-MISC Worksheet 1st** Whole Form

**Note:** Most of the forms listed above require additional entries on the form itself or in the interview. Please be sure to visit the form you selected above or complete the interview topics for that form to be sure that the Form 1099-MISC entries are reflected there.

PAYER'S name and address	1 Rents	Form	Copy
BOBS HOUSES	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2 Royalties	Form	Copy
	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3 Other Income	Form	Copy
	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4 Federal tax withheld		\$ <input type="text"/>

Take Me To ...  
Final Error Check  
Ask a Tax Advisor

start Untitled - TaxCut 2001 Document1 - Microsof... Desktop 4:07 PM

Figure 1: Manual Input is Required to Complete a Tax Return Using Block's Products



## EXHIBIT C

Untitled - TaxCut 2001

File Edit Forms Reports Tools Help

**TaxCut** FROM H&R BLOCK

Federal State  
Refund: 0 Refund: 0

1. Federal 2. State 3. File 4. Plan

### Cash Contributions

Enter information about your cash contributions.

Description	Type	Amount
AMERICAN CANCER SOCIETY	1	300

Back Next

### Charitable Worksheet

1 = Contribution subject to 50% limit  
2 = Contribution subject to 30% limit  
If you leave the "type" column blank, we'll treat the contribution as a contribution subject to the 50% limit (type "1").

Whole Form

1a. Description of Cash Contributions	Type	Amount
AMERICAN CANCER SOCIETY	1	300

What is "type" used for?  
How many entries are allowed?  
What if I have too many entries?  
When do I need a statement from a charitable organization?

Take Me To...  
Final Error Check  
Ask a Tax Advisor

start Untitled - TaxCut 2001 Document1 - Microsof... Desktop 4:11 PM

Figure 2: Charitable Contributions Must Be Entered Manually Using Block's Products

## EXHIBIT D

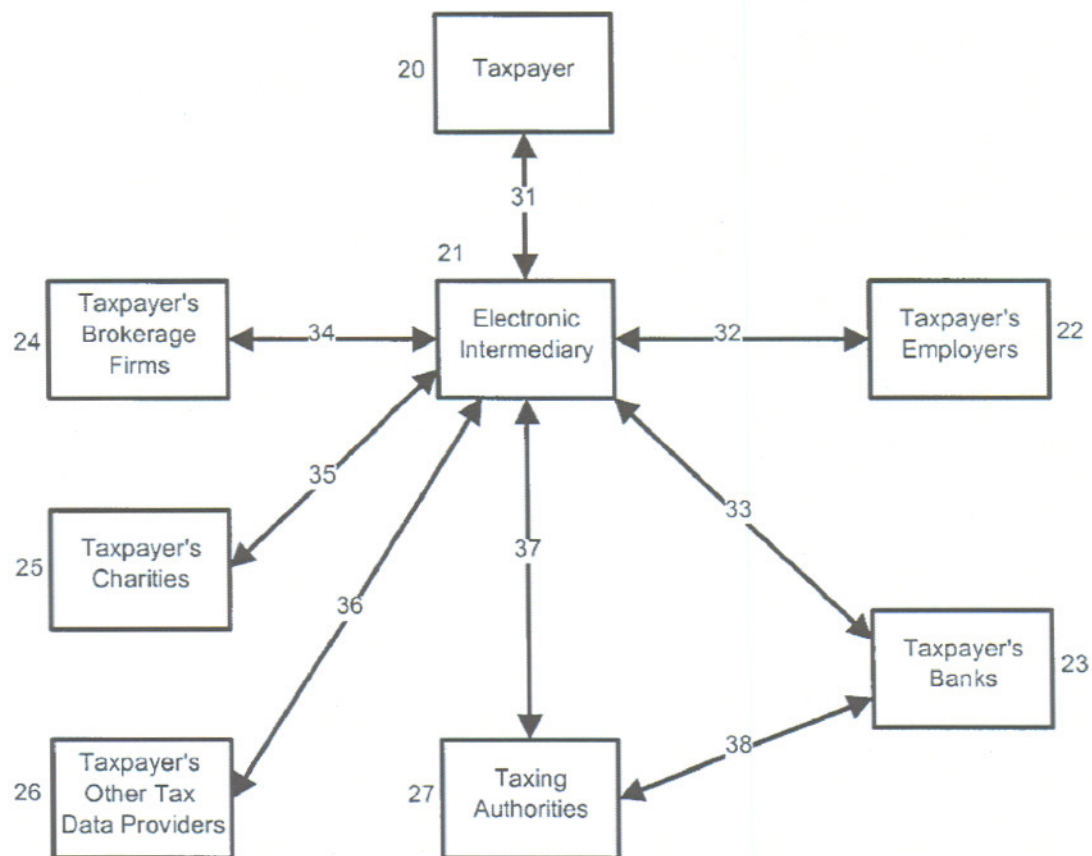


Figure 3: Figure 2 from U.S. Patent No. 6,202,052

## EXHIBIT E

Untitled - TaxCut 2001

File Edit Forms Reports Tools Help

**TaxCut** FROM H&R BLOCK

Federal State  
Refund: 0 Refund: 0

1. Federal 2. State 3. File 4. Plan

### Additional Personal Information

A few last details ... if any of these apply, check the box.

fred wilma

☒ ☒ Contribute to Presidential Election Campaign Fund

☐ ☐ Is a [dependent](#)

☐ ☐ Is [blind](#)

☐ ☐ Is [disabled](#)

If deceased, enter date of death (MM/DD/YYYY).

◀ Back Next ▶

### Background Worksheet

Whole Form

a. Social Security number	111-11-1111	222-22-2222						
b. Date of birth (MM/DD/YYYY)	<input type="text"/>	<input type="text"/>						
c. "X" if legally blind	<input type="checkbox"/>	<input type="checkbox"/>						
d. Enter "X" if disabled	<input type="checkbox"/>	<input type="checkbox"/>						
e. Occupation	<input type="text"/>	<input type="text"/>						
f. "X" if you want \$3 to go to Pres. Elec. Campaign Fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
<table border="1"> <thead> <tr> <th></th> <th>Primary taxpayer</th> <th>Spouse</th> </tr> </thead> <tbody> <tr> <td>g. If this return is for a deceased person, enter the date of death</td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table>				Primary taxpayer	Spouse	g. If this return is for a deceased person, enter the date of death	<input type="text"/>	<input type="text"/>
	Primary taxpayer	Spouse						
g. If this return is for a deceased person, enter the date of death	<input type="text"/>	<input type="text"/>						

3. FILING STATUS

What happens if we give to the Presidential Campaign Election Fund?  
How do I file a return for someone who died?

Take Me To ...  
Final Error Check  
Ask a Tax Advisor

start | Untitled - TaxCut 2001 | Document1 - Microsoft... | Desktop | 3:56 PM

Figure 4: The Taxpayer must point and click to manually enter tax data as he completes his tax return using Block's system

## EXHIBIT F



MyTaxes - TaxCut 2001

File Edit Forms Reports Tools Help

**TaxCut** FROM H&R BLOCK

Federal State

Owe: 10,652 Refund: 0

1. Federal 2. State 3. File 4. Plan

### Kind of Interest

What kind of interest is this?

- ☒ Taxable interest reported on a Form 1099-INT
- ☐ Interest exempt from federal tax (for example, from a state or municipal bond)
- ☐ Original issue discount/interest reported on a Form 1099-OID
- ☐ Mortgage interest you received from someone who bought your home ([seller-financed mortgage interest](#))
- ☐ Other interest

Back Next

Form 1099-INT/OID 1st Whole Form

Interest paid by: BANK ONE

**FORM 1099-INT**

Box 1 - Interest income not included in box 3:	\$ 200.00
Box 2 - Early withdrawal penalty:	\$
Box 3 - Interest on U.S. Savings Bonds and Treasury obligations:	\$
Box 4 - Federal income tax withheld:	\$
Box 5 - Investment expenses:	\$

Note: If you did not receive a Form 1099-INT, don't use boxes 6 and 7 below. Instead, report your foreign taxes on Form 1116.

Help Search

[How do I know if my interest is exempt?](#)

[What if I should have received a Form 1099-INT or Form 1099-OID but didn't?](#)

Take Me To ...

Final Error Check

Ask a Tax Advisor

start MyTaxes - TaxCut 2001 TAXCUT3.doc - Micro... Desktop 2:42 PM

Figure 5: Tax data from the taxpayer's bank must be entered manually into Block's system



## EXHIBIT G

MyTaxes - TaxCut 2001

File Edit Forms Reports Tools Help

**TaxCut** FROM H&R BLOCK

Federal State  
Owe: 10,652 Refund: 0

1. Federal 2. State 3. File 4. Plan

### Amount of Social Security Received

Enter the total amount from box 5 of all your and wilma's Forms SSA-1099 and RRB-1099.

Form SSA-1099, box 5  You  wilma  
Form RRB-1099, box 5

[What if there's a negative amount in box 5?](#)  
[What are the special rules that apply to lump-sum payments for prior years?](#)

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#### Social Security Worksheet

[Whole Form](#)

SOCIAL SECURITY SOCIAL SECURITY INCOME WORKSHEET 2001  
fred flintstone SSN: 111-11-1111

Use this Worksheet to calculate the taxable amount of your Social Security and equivalent railroad retirement benefits.

A. Total from box 5 of all Forms SSA-1099 ..... Self:  Spouse:   
B. Total from box 5 of all Forms RRB-1099 ..... Self:  Spouse:   
C. Total amount from box 5 of all Forms SSA-1099, RRB-1099, Line A plus line B ..... 0  
D. Total amount of federal income tax withheld from all Forms SSA-1099, box 6, and all Forms RRB-1099, box 10 ..... Self:  Spouse:

PART I

[Take Me To ...](#)  
[Final Error Check](#)  
[Ask a Tax Advisor](#)

start MyTaxes - TaxCut 2001 Desktop 4:31 PM

Figure 6: Block's systems require the taxpayer to manually enter tax data from other tax data providers

## EXHIBIT H

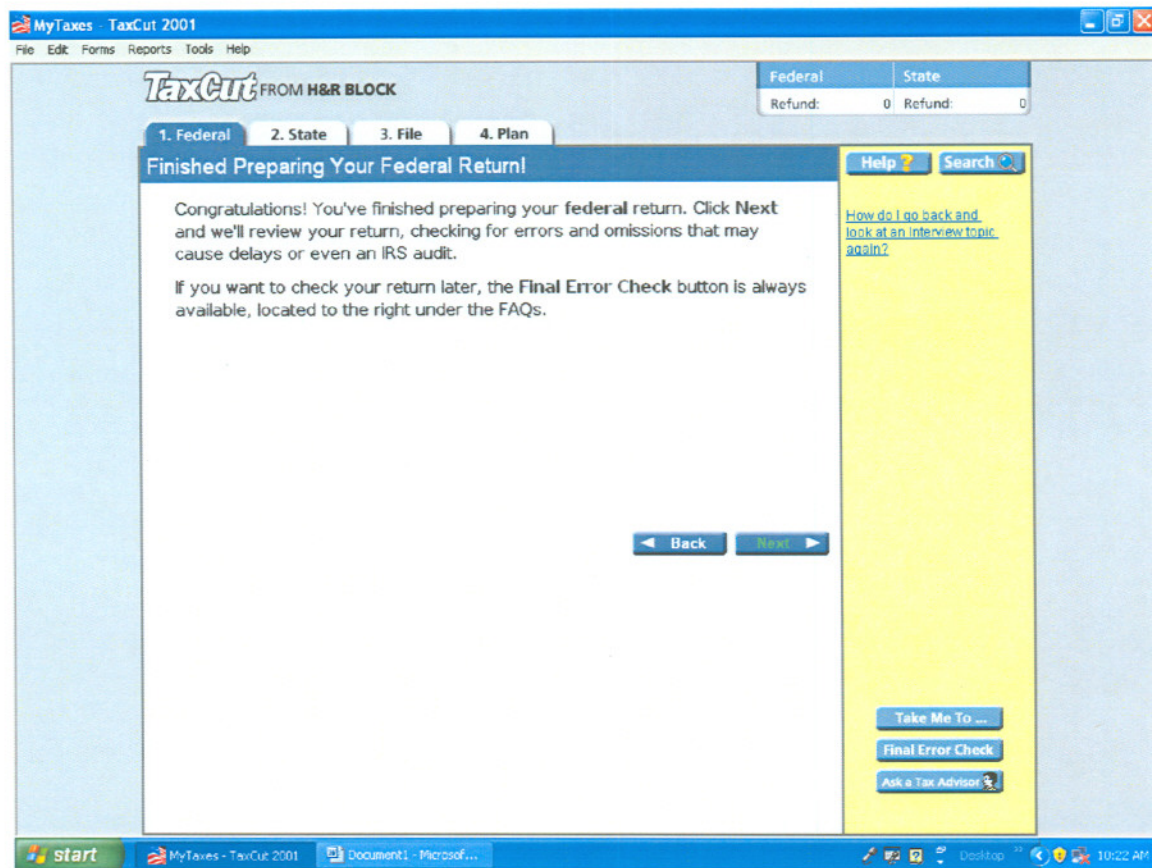


Figure 7: Manual Intervention is Required by Block's Products Before Preparation of the Tax Return is Finalized